

70A-9a-317 Interests that take priority over or take free of security interest or agricultural lien.

- (1) A security interest or agricultural lien is subordinate to the rights of:
 - (a) a person entitled to priority under Section 70A-9a-322; and
 - (b) except as otherwise provided in Subsection (5), a person that becomes a lien creditor before the earlier of the time:
 - (i) the security interest or agricultural lien is perfected; or
 - (ii) one of the conditions specified in Subsection 70A-9a-203(2)(c) is met and a financing statement covering the collateral is filed.
- (2) Except as otherwise provided in Subsection (5), a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.
- (3) Except as otherwise provided in Subsection (5), a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.
- (4) A licensee of a general intangible or a buyer, other than a secured party, of collateral other than tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.
- (5) Except as otherwise provided in Sections 70A-9a-320 and 70A-9a-321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

Amended by Chapter 225, 2013 General Session